S5040-1 A

NEVADA —

JOB SERVICE

NEVADA EMPLOYMENT SECURITY DEPARTMENT

ECONOMIC UPDATE

10176 O 2640

ROBERT LIST
Governor

SEPTEMBER 1981
Publication Date: October 31, 1981

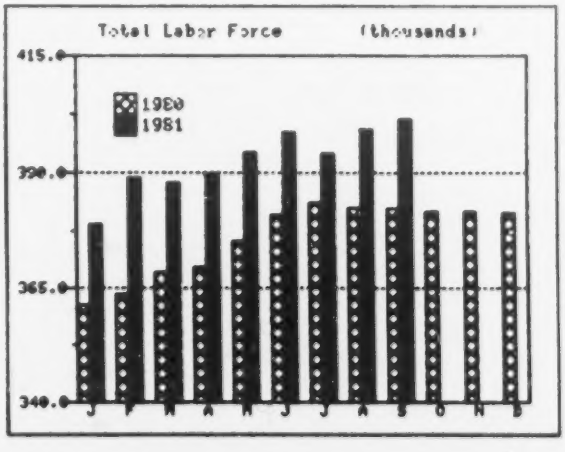
LAWRENCE O. McCRACKEN
Executive Director

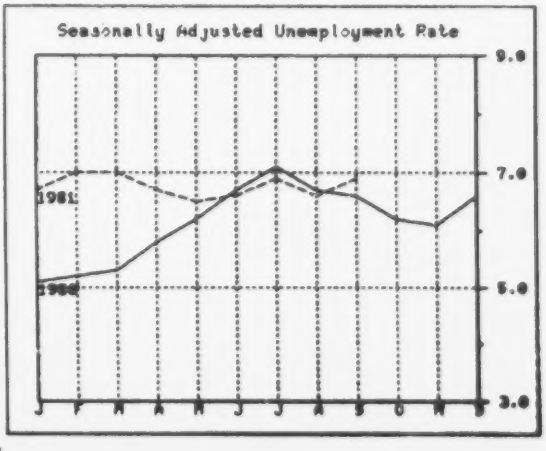
The economy in the State worsened somewhat during the past 30 days as measured by the seasonally adjusted unemployment rate. The jobless rate increased three-tenths of one percentage point to 6.9 percent. Similar increases were indicated for the State's two large population centers of Clark and Washoe counties. The rise in Clark County was six-tenths of one percentage point to 7.6 percent while Washoe County climbed three-tenths of one percentage point to 5.8 percent. In contrast to the rate increases for the above mentioned areas, the rate for the Balance of State area dropped from 7.0 percent to 6.6 percent. The rate of unemployment for the Nation jumped three-tenths of one percentage point to 7.5 percent.

During the past month, 1,800 jobs were added to the state's establishment-based industrial employment. This brought the current estimate of jobs in the State to 425,300. The gain in employment was primarily due to the return to school of non-certified personnel for the fall semester. Approximately 4,200 jobs were added to state and local education payrolls during the period. In total government added 3,700 jobs, with federal government declining by 100 while state and local governments (those agencies other than education related) dropping 400 jobs. The number of service industry jobs declined by 1,100 (all in the hotel/gaming/recreation sector) which was less than anticipated for the month. A loss of 200 jobs in the trade industry was more than would be normally expected for the period. The remaining industries showed little or no change from their August 1981 levels.

During the past 12-month period, 19,200 jobs were added to the payrolls of employers around the State and over one-half of those were in Clark County. More than 85 percent of these new jobs were created by employers in the service and trade industries. All major industrial sectors showed job gains over-the-year, with the exception of a 300 job decline in the construction industry, which continues to be impacted by high mortgage interest rates.

The state's job situation is not expected to worsen appreciably in the month's ahead, if at all. The effects of the national economic slowdown, including relatively high interest rates, and high fuel energy costs, will tend to dampen overall growth prospects, but some relative strength should be evident in the tourist-related industries. This will provide an offset to potential job losses. The level of unemployment should continue at its current high level.





NEVADA LABOR FORCE SUMMARY
(ESTIMATES IN THOUSANDS)

INDICATOR	SEP 81	SEP 80	CHANGE	% CHANGE	AUG 81
TOTAL LABOR FORCE	401.3	382.3	19.0	4.9%	399.1
UNEMPLOYMENT	26.3	23.3	3.0	12.8	24.5
UNEMPLOYMENT RATE	6.6%	6.1%	---	---	6.1%
UNEMP. RATE (SEASONALLY ADJUSTED)	6.9%	6.0%	---	---	6.6%
TOTAL EMPLOYMENT 1/	374.9	358.8	16.1	4.4	374.5
NONAGRICULTURAL EMPLOYMENT	367.1	352.0	16.1	4.5	367.4
AGRICULTURAL EMPLOYMENT	7.8	6.8	0.0	0.0	7.1
PERSONS INVLOVED IN WORK STOPPAGES	0.1	0.2	---	---	0.1

1/ ADJUSTED BY CENSUS RELATIONSHIPS TO REFLECT # OF PERSONS BY PLACE OF RESIDENCE.

ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/
(ESTIMATES IN THOUSANDS)

	SEP 81	SEP 80	CHANGE	% CHANGE	AUG 81
TOTAL ALL INDUSTRIES	425.3	406.1	19.2	4.7%	423.5
MINING	8.1	7.2	0.9	12.5	8.1
METAL MINING	5.1	4.4	0.7	15.9	5.1
CONSTRUCTION	25.9	26.7	- 0.8	- 3.0	26.2
MANUFACTURING	20.0	19.5	0.5	2.6	20.0
DURABLE GOODS	13.3	12.9	0.4	3.1	13.3
STONE, CLAY & GLASS PRODUCTS	2.0	2.0	0.0	0.0	2.0
PRIMARY METAL INDUSTRIES	1.9	1.7	0.2	11.8	1.9
NON-DURABLE GOODS	6.7	6.6	0.1	1.5	6.7
FOOD PRODUCTS	1.6	1.6	0.0	0.0	1.7
PRINTING & PUBLISHING	3.1	3.1	0.0	0.0	3.1
CHEMICALS	0.8	0.8	0.0	0.0	0.8
TRANSPORTATION & PUBLIC UTILITIES	25.5	24.4	1.1	4.5	25.6
TRANSPORTATION	13.3	12.9	0.4	3.1	13.4
RAILROAD	1.6	1.6	0.0	0.0	1.6
TRUCKING & WAREHOUSE	3.7	3.4	0.3	8.8	3.7
AIR	3.1	3.1	0.0	0.0	3.1
PUBLIC UTILITIES	12.2	11.5	0.7	6.1	12.2
TOTAL TRADE	87.3	80.3	7.0	8.7	87.5
WHOLESALE	13.2	13.0	0.2	1.5	13.3
RETAIL	74.1	67.3	6.8	10.1	74.2
GENERAL MERCHANDISE & APPAREL	16.8	13.2	3.6	27.3	16.8
FOOD STORES	10.7	9.7	1.0	10.3	10.7
AUTO DEALERS & SERVICE STNS.	9.8	9.3	0.5	5.4	10.0
EATING & DRINKING PLACES	22.4	21.6	0.8	3.7	22.3
FINANCE, INSURANCE & REAL ESTATE	18.4	17.9	0.5	2.8	18.6
FINANCE	8.4	7.9	0.5	6.3	8.6
SERVICE INDUSTRIES	181.8	172.0	9.8	5.7	182.9
HOTELS, GAMING & RECREATION	123.0	117.0	6.0	5.1	124.1
PERSONAL	5.5	5.1	0.4	7.8	5.5
BUSINESS	17.5	15.8	1.7	10.8	17.4
MEDICAL & HEALTH	14.1	13.3	0.8	6.0	14.0
GOVERNMENT	58.3	58.1	0.2	0.3	54.6
FEDERAL	10.5	10.8	- 0.3	- 2.8	10.6
STATE & LOCAL	47.8	47.3	0.5	1.1	44.0
EDUCATION - STATE & LOCAL	19.5	19.7	- 0.2	- 1.0	15.3

2/ REFLECTS EMPLOYMENT BY PLACE OF WORK. DOES NOT NECESSARILY COINCIDE WITH LABOR FORCE CONCEPT. INCLUDES MULTIPLE JOB HOLDERS.

Measuring the Cost of Living

by

George Anastassatos, Labor Economist

In today's inflationary economy, most people are aware of the monthly Consumer Price Index (CPI) which business, labor, the news media and others use as a gauge of the cost of living. However, the CPI is not a true "cost of living" index since it does not take into account adjustments in buying patterns that consumers make in response to price changes.*

Although no index could be constructed that would be considered ideal, the Department of Commerce's implicit price deflator for personal consumption expenditure** may well be the best measure of aggregate cost of living changes (excluding government services) in the United States.*** This index, which is published quarterly, not only takes into consideration price changes, but it also weights the impact of these changes by the actual amounts of goods and services purchased in each particular quarter.

COMPARISON OF CONSUMER PRICE INDEX AND IMPLICIT PRICE DEFLATOR
1967-1980

Year	Consumer Price Index	Change from Previous Year	Implicit Price Deflator 1/ (Personal) Consumption Expenditures)	Change from Previous Year
1967	100.0	-	100.0	-
1968	104.2	4.2%	104.1	4.1%
1969	109.8	5.4%	108.9	4.6%
1970	116.3	5.9%	113.8	4.5%
1971	121.3	4.3%	118.8	4.4%
1972	125.3	3.3%	123.0	3.5%
1973	133.1	6.2%	129.8	5.5%
1974	147.7	11.0%	143.8	10.8%
1975	161.2	9.1%	155.6	8.1%
1976	170.5	5.8%	163.6	5.1%
1977	181.5	6.5%	173.1	5.7%
1978	195.4	7.7%	184.9	6.8%
1979	217.4	11.3%	201.4	8.9%
1980	246.8	13.5%	221.9	10.2%

1/ Adjusted to 1967 base period.

The foregoing table highlights the differences between the two series. Some of the disparity can be explained because the implicit price deflator does not include the purchase price of a home, which in the Gross National Product series is treated as a fixed investment. This categorization recognizes the fact that a home is an asset that typically gains rather than loses value over time. In addition, the price of homes currently comprises about 10 percent of the CPI, even though the increasing costs generally affect only those persons making an initial or an additional home purchase.****

Both indexes reveal the generally accelerating trend of price inflation in the past decade, however, the implicit price deflator seems to show that a portion of the inflation is counteracted by "rational" reactions by the public. There is considerable substitution of some goods and services for others whose price tags are rising less rapidly.

* The market basket is generally fixed with only periodic changes in its composition.

** A portion of Gross National Product.

*** The CPI is more flexible since it is produced for different cities and areas in the U.S.

**** For persons selling one home and buying another, higher purchase prices would normally be offset by a higher selling price for their original dwelling.

ALL URBAN
U. S. CONSUMER PRICE INDEX
(1967 = 100)

AUG 81	AUG 80	JUL 81
276.5	249.4	274.4

U. S. UNEMPLOYMENT RATE
Seasonally Adjusted

SEP 81	SEP 80	AUG 81
7.5%	7.4%	7.2%

LABOR TURNOVER RATES IN MINING AND MANUFACTURING
(Per 100 Employees)

	MINING			MANUFACTURING		
	AUG 81	AUG 80	JUL 81	AUG 81	AUG 80	JUL 81
ACCESSION RATES						
TOTAL ACCESSIONS	3.4	5.8	5.5	5.5	7.1	5.2
New Hires	2.4	5.5	3.6	4.2	6.4	4.7
Recalls	0.9	0.3	1.7	1.3	0.6	0.5
SEPARATION RATES						
TOTAL SEPARATIONS	4.7	10.5	3.6	7.2	9.4	7.2
Quits	3.9	8.7	2.0	3.4	5.4	4.4
Discharges	0.1	1.2	0.3	0.7	1.4	1.3
Lay-offs	0.1	0.4	0.2	1.0	2.4	1.3
Military & Miscellaneous	0.7	0.2	1.1	2.0	0.1	0.1

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTRIES IN NEVADA

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	SEP 1981	SEP 1980	AUG 1981	SEP 1981	SEP 1980	AUG 1981	SEP 1981	SEP 1980	AUG 1981
MINING	456.37	376.96	455.80	41.3	38.0	41.1	11.05	9.92	11.09
CONSTRUCTION	585.00	499.33	580.29	36.0	34.7	36.2	16.25	14.39	16.03
MANUFACTURING	350.59	312.76	328.44	38.4	38.9	39.1	9.13	8.04	8.40
Durable Goods	376.55	343.80	344.92	38.7	40.4	39.6	9.73	8.51	8.71
Stone, Clay & Glass	434.25	361.56	402.87	45.0	39.3	40.9	9.65	9.20	9.85
Primary Metals	683.38	477.24	542.59	44.9	41.9	43.2	15.22	11.39	12.56
Nondurable Goods	296.38	257.02	290.31	37.9	36.2	37.9	7.82	7.10	7.66
Printing & Publishing	282.00	230.51	279.74	37.6	33.7	37.6	7.50	6.84	7.44
PUBLIC UTILITIES	412.57	355.52	420.86	41.8	41.1	41.1	9.87	8.65	10.24
TRADE	247.95	225.45	251.03	34.2	33.7	34.2	7.25	6.69	7.34

PREPARED BY THE EMPLOYMENT SECURITY RESEARCH SECTION TELEPHONE 885-4550
FOR PLACEMENT OF JOB ORDERS CONTACT YOUR NEAREST EMPLOYMENT SERVICE OFFICE

STATE OF NEVADA
EMPLOYMENT SECURITY DEPARTMENT
500 EAST THIRD STREET
CARSON CITY, NEVADA 89713

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL

LAB-449

A

CONGRESSIONAL INFO. SERVICE
SRI
4520 EAST-WEST HIWAY
BETHESDA, MD 20814